




TO: Indiana's Workforce Investment System

FROM: Charles R. Gillespie 
Chief Financial Officer

DATE: June 29, 2011

SUBJECT: DWD Policy 2010-23
Final Program Year 2011 Workforce Investment Act Adult, Youth, and
Dislocated Worker Formula Allocations

Purpose

To announce the Final Program Year 2011 Workforce Investment Act (WIA) Adult, Youth, and Dislocated Worker formula allocations received from the U. S. Department of Labor Employment and Training Administration, and to explain the policy for distribution of the funding to Indiana's local workforce investment boards. The program year runs from July 1, 2011 through June 30, 2012. The funding is split between federal FY2011 funds that become available on July 1, 2011 and federal FY2012 which becomes available on October 1, 2011. Expenditures cannot be accrued against the October 1st allotment until that date.

Rescission

None

Content

Before distributions are made of Indiana's Workforce Investment Act formula funds, the Indiana Department of Workforce Development, acting in its capacity as staff to the State Workforce Innovation Council, is required by the Workforce Investment Act to reserve funding at the state level and to develop a schedule of allocations to the state's local workforce investment boards. First, five (5) percent is withheld from that total funding for statewide activities administration. An Additional Statewide Employment and Training Activities funding, also known as Governor's Discretionary funding, was calculated by reserving 10 percent out of the October 2011 allotment for statewide activities from the total funding available for adults, youth, and dislocated workers. Statewide Employment and Training activities explained in the Workforce Investment Act, Section 134(a)(2)(B) include:

Mitchell E. Daniels, Jr., *Governor*
Mark W. Everson, *Commissioner*

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- Disseminating the State list of eligible training providers, information identifying eligible providers of on-the-job training and customized training, and performance information and program cost of such providers;
- Publishing a list of youth providers;
- Conducting evaluations of activities;
- Providing incentive grants;
- Providing technical assistance to local areas for failing standards;
- Assisting in the establishment and operation of the one-stop system;
- Providing additional assistance to local areas with high concentrations of youth; and
- Operating a fiscal and management accountability information system.

Second, DWD reserved five (5) percent of the funding available for dislocated workers statewide rapid response activities. Mandatory rapid response activities are explained in the Workforce Investment Act Section 134(a)(2)(A) and include:

- Providing rapid response activities in local areas by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local area; and,
- Providing additional assistance in local areas that experience disasters, mass layoffs or plant closings, or other events that increase the numbers of unemployed individuals, carried out by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local areas.

WIA Adult, Youth and Dislocated Worker Formula Allocations to Indiana's Workforce Investment Boards.

At its June 16, 2011 meeting, the State Workforce Innovation Council approved that the WIA Title I Adult, Youth, and Dislocated Worker Program Year 2011 allotments be formula allocated to Indiana's local workforce investment boards. The calculations used to do so follow.

Adult Formula Allocations to Indiana's Local Workforce Investment Boards

The state follows Section 133(b)(2)(A)(i) of the Workforce Investment Act to formula allocate funding for adult activities. The following data are used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2009 through June 2010, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged adults (age 22 to 72, excluding college students and military), from special 2000 Census tabulations.

Also, the State applies the hold harmless provision contained in Workforce Investment Act Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Adult allocation:

- The allocations are available for obligation beginning July 1, 2011 or October 1, 2011 as indicated. (20 CFR Part 667.100)
- Workforce Investment Act adult cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2012 for Program Year 2011 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2013 for Program Year 2011 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- A workforce investment board may transfer up to 30 percent of the Program Year 2011 adult allocation and up to 30 percent of the Program Year 2011 dislocated worker allocation between the two programs. Approval must be provided before making any such transfer. (Workforce Investment Act Section 133(b)(4))
- 70 percent of program and administrative allocation including the transfer activities must be expended in the first year.

Youth Formula Allocations to Indiana's Workforce Investment Boards

The formula for the youth allocation to Indiana's local workforce investment boards follows Section 128(b)(2)(A)(i) of the Workforce Investment Act in formula allocating funding for youth activities. The following data are used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment (ASUs), averages for the 12-month period, July 2009 through June 2010, using data provided by the Bureau of Labor Statistics
- The number of excess unemployed individuals or the ASU excess (depending on which is higher), averages for the same 12-month period as used for ASU unemployed data, and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military), from special 2000 Census tabulations.

Also, the State applies the hold harmless provision contained in Workforce Investment Act Section 128(b)(2)(A)(ii) is enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Youth allocation:

- The allocations are available for obligation beginning July 1, 2011 or October 1, 2011 as indicated. (20 CFR Part 667.100)
- Cost limitations for Workforce Investment Act youth allocations are allocation based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2012 for Program Year 2011 Workforce Investment Act allocations. (Workforce Investment Act Section 128(c))

- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2013 for Program Year 2011 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent.(Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- Workforce investment boards cannot transfer funds to or from the Workforce Investment Act youth program. (Workforce Investment Act Section 133(b)(4))
- Not less than 30 percent must be expended on services to out-of-school youth. (Workforce Investment Act Section 129(c)(4))
- 70 percent of program and administrative allocation including the transfer activities must be expended in the first year

Dislocated Worker Formula Allocations to Indiana's Workforce Investment Boards

The state follows the Workforce Investment Act Section 133(b)(2)(B) in allocating funds for activities for dislocated workers. The legislation mandates the factors that must be used in the local formula, but permits states' discretion in determining data sources and weights assigned each factor.

The following data are used by the State of Indiana to compute the allotments.

Allocation Factor	Data Source & Time Period	Weight
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2010	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2009	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2010	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2009	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2008	2%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2010	13%

The following are important facts concerning the Workforce Investment Act Dislocated Worker allocation:

- The allocations are available for obligation beginning July 1, 2011 or October 1, 2011 as indicated. (20 CFR Part 667.100)
- Workforce Investment Act Dislocated Worker cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2012 for Program Year 2011 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))

- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2013 for Program Year 2011 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- There is no hold harmless provision for dislocated worker funding.
- A workforce investment board may transfer up to 30 percent of the Program Year 2011 adult allocation and up to 30 percent of the Program Year 2011 dislocated worker allocation between the two programs. Approval must be provided before making any such transfer.(Workforce Investment Act Section 133(b)(4))
- 70 percent of program and administrative allocation including the transfer activities must be expended in the first year

Effective Date

July 1, 2011

Ending Date

June 30, 2013

Ownership

Randy Gillespie

Chief Financial Officer

Indiana Department of Workforce Development

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Action

Workforce Investment Board and Regional Workforce Board administrators shall distribute the information contained in this communication to appropriate staff.

Attachment

Workforce Investment Act Program Year 2011 Allocations

ATTACHMENT 1-A

Workforce Investment Act Program Year 2011 Allocations

Total Allotment 2011	Adult	Youth	DW	Total
CFDA #	17.258	17.259	17.278	
State Allotments	\$14,120,139	\$16,043,006	\$22,971,198	\$53,134,343
>State Admin	\$ 706,005	\$ 802,150	\$ 1,148,560	\$ 2,656,715
>Governor's Discretionary	\$ 1,304,093	\$ -	\$ 1,857,686	\$ 3,161,779
>Rapid Response (5%)	\$ -	\$ -	\$ 1,148,560	\$ 1,148,560
>Amount to be allocated to the workforce investment boards	<u>\$12,110,041</u>	<u>\$15,240,856</u>	<u>\$18,816,392</u>	<u>\$46,167,289</u>
Workforce Investment Boards				
Marion County	\$ 2,077,961	\$ 2,364,314	\$ 3,423,507	\$ 7,865,782
Region 1	\$ 1,651,375	\$ 1,921,049	\$ 1,878,252	\$ 5,450,676
Region 2	\$ 1,301,793	\$ 1,710,222	\$ 2,463,862	\$ 5,475,877
Region 3	\$ 1,463,801	\$ 1,867,310	\$ 2,470,592	\$ 5,801,703
Region 4	\$ 913,786	\$ 1,387,680	\$ 1,579,636	\$ 3,881,102
Region 6	\$ 766,081	\$ 1,033,330	\$ 1,111,672	\$ 2,911,083
Region 7	\$ 491,086	\$ 629,264	\$ 749,812	\$ 1,870,162
Region 10	\$ 474,266	\$ 525,749	\$ 590,647	\$ 1,590,662
Balance of State	<u>\$ 2,969,891</u>	<u>\$ 3,801,938</u>	<u>\$ 4,548,412</u>	<u>\$11,320,241</u>
Total	<u>\$12,110,040</u>	<u>\$15,240,856</u>	<u>\$18,816,392</u>	<u>\$46,167,288</u>

ATTACHMENT 1-B

Workforce Investment Act Program Year 2011 July 1, 2011 Allocations

July 2011 Allotment CFDA #	Adult 17.258	Youth 17.259	DW 17.278	Total
State Allotments	\$ 1,079,209	\$ 4,010,752	\$ 4,394,341	\$ 9,484,302
>State Admin	\$ 53,959	\$ 200,538	\$ 219,717	\$ 474,214
>Governor's Discretionary	\$ -	\$ -	\$ -	\$ -
>Rapid Response (10%)	\$ -	\$ -	\$ 219,717	\$ 219,717
>Amount to be allocated to the workforce investment boards	<u>\$ 1,025,250</u>	<u>\$ 3,810,214</u>	<u>\$ 3,954,907</u>	<u>\$ 8,790,371</u>
Workforce Investment Boards				
Marion County	\$ 175,923	\$ 591,079	\$ 719,566	\$ 1,486,568
Region 1	\$ 139,807	\$ 480,262	\$ 394,779	\$ 1,014,848
Region 2	\$ 110,211	\$ 427,556	\$ 517,865	\$ 1,055,632
Region 3	\$ 123,927	\$ 466,828	\$ 519,279	\$ 1,110,034
Region 4	\$ 77,362	\$ 346,920	\$ 332,014	\$ 756,296
Region 6	\$ 64,857	\$ 258,333	\$ 233,656	\$ 556,846
Region 7	\$ 41,576	\$ 157,316	\$ 157,599	\$ 356,491
Region 10	\$ 40,152	\$ 131,437	\$ 124,145	\$ 295,734
Balance of State	<u>\$ 251,434</u>	<u>\$ 950,485</u>	<u>\$ 956,004</u>	<u>\$ 2,157,923</u>
Total	<u>\$ 1,025,249</u>	<u>\$ 3,810,216</u>	<u>\$ 3,954,907</u>	<u>\$ 8,790,372</u>

ATTACHMENT 1-C

Workforce Investment Act Program Year 2011 October 1, 2011 Allocations

Oct 2011 Allotment CFDA #	Adult 17.258	Youth 17.259	DW 17.278	Total
State Allotments	\$ 13,040,930	\$ 12,032,254	\$18,576,857	\$ 43,650,041
>State Admin	\$ 652,046	\$ 601,612	\$ 928,843	\$ 2,182,501
>Governor's Discretionary	\$ 1,304,093	\$ -	\$ 1,857,686	\$ 3,161,779
>Rapid Response (10%)	\$ -	\$ -	\$ 928,843	\$ 928,843
>Amount to be allocated to the workforce investment boards	<u>\$ 11,084,791</u>	<u>\$ 11,430,642</u>	<u>\$ 14,861,485</u>	<u>\$ 37,376,918</u>
Workforce Investment Boards				
Marion County	\$ 1,902,038	\$ 1,773,235	\$ 2,703,941	\$ 6,379,214
Region 1	\$ 1,511,568	\$ 1,440,787	\$ 1,483,473	\$ 4,435,828
Region 2	\$ 1,191,582	\$ 1,282,666	\$ 1,945,997	\$ 4,420,245
Region 3	\$ 1,339,874	\$ 1,400,482	\$ 1,951,313	\$ 4,691,669
Region 4	\$ 836,424	\$ 1,040,760	\$ 1,247,622	\$ 3,124,806
Region 6	\$ 701,224	\$ 774,997	\$ 878,016	\$ 2,354,237
Region 7	\$ 449,510	\$ 471,948	\$ 592,213	\$ 1,513,671
Region 10	\$ 434,114	\$ 394,312	\$ 466,502	\$ 1,294,928
Balance of State	\$ 2,718,457	\$ 2,851,453	\$ 3,592,408	\$ 9,162,318
Total	<u>\$11,084,791</u>	<u>\$ 11,430,640</u>	<u>\$ 14,861,485</u>	<u>\$ 37,376,916</u>